

Motivational Pluriform as Antecedent of Influence Between Budgetary Participation on Budgetary Slack (Empirical Study at Manufacturing Companies in Indonesia)

Widi Hariyanti^{1*}, Abdul Rohman²

¹Faculty of Economics, Setia Budi University, Jl. Letjend Sutoyo, Mojosongo, Solo.

widi_hariyanti@yahoo.co.id

²Faculty of Economics and Business, University of Diponegoro

Jl. Prof. Sudarto, SH Tembalang Semarang. 50275

wayemroh@gmail.com

*Corresponding Author

Abstract– The budget has a direct impact on the behavior of managers who are directly involved in budgeting, namely the possibility arises of functional and dysfunctional effects. Dysfunctional impact is shown by the creation of slack in the budget. This study uses a motivational pluriform as variable antecedent in the relationship between budgetary participation on budgetary slack. This study examines the effect of motivational pluriform on budgetary participation and budgetary slack simultaneously. The respondents were managers of various levels in manufacturing companies in Indonesia. Sampling techniques include purposive sampling, or sample selection method aims, using the consideration that the sample is a manufacturing enterprise managers in Indonesia who occupy the position of at least one year. The data was collected using a mail survey method, by sending a questionnaire to the manager or superintendent who led the manager-level functional departments. Processing data used analysis technique Structural Equation Modeling (SEM) as this analysis technique was able to combine the measurement model and the structural model of simultaneously appropriated for the research purposes. Results of research on the relationship between motivational pluriform (three types of motivation) on budgetary participation shows variation. In relation variable intrinsic motivation and autonomous extrinsic motivation over budgetary participation showed no significant results, which means that both the motivation does not affect the budgetary participation. While the relationship between controlled extrinsic motivation showed significant results affects budgetary participation. On the relationship between budgetary participation on budgetary slack showed significant results.

Keywords-Motivational Pluriform, Budgetary Participation, Budgetary Slack

1. INTRODUCTION

The budget process is an important activity, because in the budget there is a possibility of functional or dysfunctional effects (Chong and Chong, 2002)[4]. Functional and dysfunctional impact occurs because of the attitude or behavior of members of organizations involved in the preparation of the budget. Dysfunctional impact shows in the creation of slack in the budget. Budgetary slack by Antle and Eppen occurs because of the subordinate participation in budget formulation (Chen, 2001)[3].

The budgetary slack in the preparation of the budget occurs, because there is a tendency of employees involved in the preparation of the budget trying to make a budget that is easily reached (Fisher et.al, 2002)[8]. Dysfunctional budgetary impact is likely to occur if the performance was assessed using the budget. The impact of the budget will lead to dysfunctional behavior of managers

who tend to enter personal interests, allowing the budget prepared is not based on actual ability or productivity.

Based on the theory of motivation, that motivation is one of the internal factors that encourage employees involved in the preparation of the budget. According to Deci and Ryan (2000)[6] in the self-determination theory, motivation can be divided into three kinds, among others, intrinsic motivation, autonomous extrinsic motivation, and controlled extrinsic motivation. The basic assumption used in the self-determination theory is that a person is motivated to do something because of the desire to find the psychological needs, such as: competence, autonomy, and relationships (Gagne and Deci, 2005)[9].

Several previous studies that tested the motivation variable in relation to budgetary participation does not distinguish variables into motivational pluriform. Employees will be motivated either intrinsically or extrinsically to participate in the preparation of the budget

if the performance is assessed based on the budget. This is likely to result in dysfunctional behavior in the budgeting process by creating slack in the budget.

This study examines the effect of simultaneously motivational pluriform (intrinsic motivation, autonomous extrinsic motivation and controlled extrinsic motivation) as antecedent in the relationship between budgetary participation on budgetary slack. This study will demonstrate empirically the effect of the behavior of the individuals involved in the preparation of the budget does have dysfunctional impact. The result is expected to be a reference in analyzing and solving problems related to decision making for the management of the organization. The research question formulated is: "How motivational pluriform (intrinsic motivation, autonomous extrinsic motivation and controlled extrinsic motivation) influence the relationship between budgetary participation on budgetary slack."

2. THEORETICAL REVIEW

Theoretical approaches in this study use a grand theory of motivation. Some motivational theories put forward by the experts who are intended to provide a description of what exactly is heading on humans and humans will be able to be like and what would encourage people to do something (Laegaard, 2006)[15]. Motivation in the individual is the impetus to act so that people behave in certain ways that lead to the goal. Motivation has a role in shaping behaviors that affect their performance in the organization (Gagne and Deci, 2005)[9].

An individual will strive to achieve a certain performance because of the motivation factor. Therefore, the individual members of the organization will be motivated to be involved in the budgeting process, when their performance is measured using the budget. According to Laegaard (2006) [15] there are three elements of motivational processes associated with psychological states, among others:

1. initiation
2. leadership
3. intensity

Motivation associated with behavior can be divided into two main categories, among others: the inner and outer motivation (Laegaard, 2006)[15]

Inner motivation is a motivation that comes from encouragement from within the individual. Outer motivation arises because of factors design tasks as well as financial and social factors. Design factors explain the motivation for the task based on the motivational factors and factors characteristic of the task, while the financial and social factors explain the motivation occurs because of the money, reward, justice, personal payments, and others (Laegaard, 2006)[15]. Motivation theory is a theory of human relations as it focuses on feelings and human desires. It is not out of a desire to achieve a particular goal. So it can be said that a person is motivated due to two factors that influence it, among other intrinsic factors

arising from within oneself and extrinsic factors that motivate a person.

Motivation theory was further developed by Deci and Ryan since 1985 under the name of self-determination theory (Deci and Ryan, 2000)[6]. The theory explains that the motivation consists of several types of motivation (intrinsic motivation, autonomous extrinsic motivation and controlled extrinsic motivation) allegedly influencing the behavior of the manager. This study uses the self-determination theory as a supporting theory, because subordinates will be motivated intrinsically and extrinsically in budgeting participation. Results to be achieved, among others, may be a sense of satisfaction can complete its task in accordance with the predetermined targets.

Self-determination theory is a macro theory of human motivation and personality, taking into account the tendency of growth of people and their psychological needs (Story et. al., 2009)[21]. The theory developed background motivation to use one's elections without external influence and interference. Self-determination theory is able to identify several different types of motivation, which each have specific consequences (Deci and Ryan, 2000)[6]. According to the theory of self determination that a different motivation reflect different degrees of behavioral values that have been internalized and integrated. Many theories have explained the motivation as a unitary concept, each of the categories identified theoretically indicate functionally different from the type of motivation (Lee et. al., 2010)[16].

This study uses three (3) types of motivation: intrinsic motivation, autonomous extrinsic motivation and controlled extrinsic motivation using the theory of self-determination as one of the supporting theory. This is in accordance with the above explanation that the different motivations will reflect different degrees of value. Therefore, it is possible to influence the motivation third budget participation with different degrees of value.

2.1 Motivational Pluriform

Motivation is the driving force of one's heart to do or achieve his objectives (Ryan and Deci, 2000)[6]. Motivation can also be regarded as a plan or a desire for success and avoid failure s in life (Lee, McInerney, Liem, and Ortega, 2010)[16]. In other terms, motivation is a process to achieve a goal. A person who has motivation means that he has owned the power to gain success in his life.

According to Indonesian Grand Dictionary (2003), "pluriform" means "consisting of some form". Thus, motivational pluriform in this study suggests that the motivation consists of some form. Some forms of motivation studied in this research are intrinsic motivation, autonomous extrinsic motivation, and controlled extrinsic motivation.

Intrinsic motivation is when the nature of the work itself makes a person motivated and get the satisfaction by doing the job. Autonomous extrinsic

motivation consists of integrated unified regulation or being motivated because of status or compensation. Controlled extrinsic motivation is identified as motivation that is controlled by an individual because of external regulation and his behavior is done primarily to meet external demand (Wong-On-Wing et. al., 2010) [24].

2.2 Budgetary Participation

The budget is a work plan prepared by the management of an organization. It is measured in monetary units using specific standards within a given period (Hansen and Mowen, 2000) [12]. The budget could also be defined as a managerial plan prepared under a long-term action plan and objectives of the company which is the embodiment of a work plan within a given time period. The main objective of budgeting according to Anthony and Govindarajan (2001) are:

1. improving the organization's strategic plan,
2. coordinating the activities undertaken by the parts of the organization,
3. providing the manager responsibility for the authorization of organizational resources management and providing the manager feedback for their performance,
4. as a commitment and a agreement for assessing managerial achievement or performance.

Budgeting process requires the involvement of employees or managers. Budgetary participation is defined as a process that involves individuals in the preparation of the budget and influences the preparation of targeted budget to evaluate the performance (Wong-On-Wing et. al., 2010) [24].

Budgetary participation has a positive influence, because when subordinates are involved in the budget process there is a tendency to accept budget targets, the budgetary participation can also have positive effects through the creation of budgetary slack.

2.3 Framework

The research model is shown in figure 1 below:

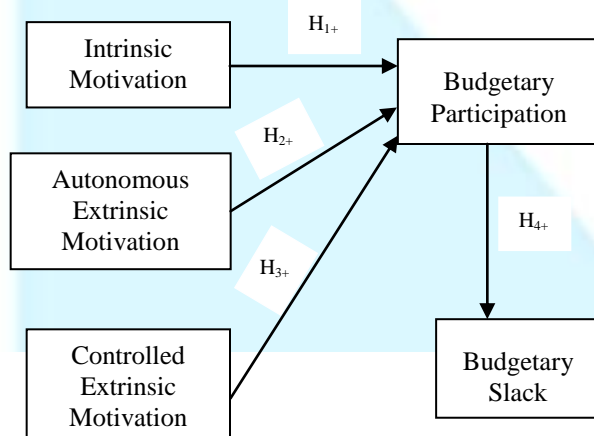


Figure 1. Empirical Research Model

2.4 Budgetary Slack

Budgetary slack is defined as a condition of subordinates with productive capability less than actual (Fisher et al, 2002) [8]. Budgetary slack is the result of an intentional participatory process that is done by the managers who are involved in the preparation of the budget in order to achieve personal goals (Fisher et. al., 2002) [8].

A research conducted by Fisher et. al., (2002) concluded that budgetary slack was built by subordinates when they were involved in budgetary participation. When someone is described to be motivated to do activities for his own interest, budgetary slack will happen (Davis et al, 2006) [5]. Therefore, it can be told that the incidence of dysfunctional budget or budgetary slack is caused by intrinsic motivation, autonomous extrinsic motivation, and controlled extrinsic motivation.

2.5 Hypothesis Development

According to self-determination theory (Deci and Ryan, 2000) [6], a person is depicted to be motivated intrinsically if he is conducting the activities for his own interest. There will be pleasure and satisfaction by participating in an activity. Based on their research, Wong-On-Wing et. al., (2010) [24] concluded that intrinsic motivation and autonomous extrinsic motivation were positively related to the participation of budgeting. Based on these descriptions, the research hypothesis on the relationship between motivational pluriform and budgetary participation are:

H1: *Intrinsic motivation positively influences the level of budgetary participation.*

H2: *Autonomous extrinsic motivation positively influences the level of budgetary participation.*

H3: *Controlled extrinsic motivation positively influences the level of budgetary participation.*

Dysfunctional behavior in budgeting is indicated by compiling slack in the budget (Mowen and Hansen, 2000) [12]. In accordance with theory of motivation, budgetary participation by individuals can encourage the emergence of budgetary slack. Budgeting participation by individuals in accordance with the theory of motivation to encourage the emergence of slack budget (budgetary slack). Some research suggests that the positive effect on the budget participation budgetary slack. Results of the study Young (1985) [25] and Davis et.al., (2006) [5] also found a positive relationship between budget participation on budgetary slack. Therefore, the next hypothesis is:

H4: *Budgetary participation negatively influences budgetary slack.*

3. RESEARCH METHODS

Purposive sampling method is applied in this research using specific criteria or considerations. The selected sample is the managers of manufacturing companies in Indonesia whose performance is evaluated based on the budget. They are usually involved in budget

preparation in their unit and served as a manager at least in one year period.

3.1 Variables Measuring

According to Indonesian Grand Dictionary (2003), the word of “pluriform” interpreted as “someform”. So, motivational pluriform is some forms of motivation, including:

1. intrinsic motivation as self-motivation of the individuals acting for his own interest,
2. autonomous extrinsic motivation as the motivation to do activities as a means to achieve certain goals,
3. controlled extrinsic motivation as the motivation to perform activities for the demand of external interests.

Motivation is measured by seven instruments developed by Wong-On-Wing et. al., (2010)[24].

Budgetary participation is how far managers involved in the budgeting process as responsibility center they lead. Budgetary participation was measured by five instruments developed by Wenzel (2002)[23]. Assessment is implemented by a seven-point Likert scale. Low scores indicate that the participation level is low, and conversely a higher score is indicating a high participation level.

Budgetary slack is an attempt to facilitate budgetary achievement or it is often referred to budget securing. It was measured by six instruments developed by Dunk (1993)[7]. Response format is implemented by a seven-point Likert scale. In this case, point 1 means “strongly disagree” and point 7 means “strongly agree”.

3.2 Data Analysis Techniques

Data were obtained and compiled from distribution of research instruments (in this case is questionnaires). Thus, validity and reliability test to ensure the quality of data was conducted. Validity test is conducted to ensure accuracy and precision of measuring instruments. Reliability test is done to determine how far the instrument remains consistent to measure the same symptoms at different times which can be measured from the squared multiple correlations (R^2) of each indicator (Hair et al, 2010)[11].

Data were analyzed by Structural Equation Modeling (SEM), because it has ability to combine measurement models and structural models simultaneously and efficiently (Ghozali, 2008)[10]. It is also implemented to evaluate the research model that has been built, as well as to test the research hypothesis.

4. RESULTS AND DISCUSSIONS

4.1. Data Collection Methods

Group of managers of various levels who work in manufacturing companies in Indonesia is the population of this research and managers are the unit of analysis. Respondents are manufacturing company managers which are involved in the budgeting process. Data are collected

through a mail survey. The response rate afterward is 23.60%

4.2. Data Analysis

This research is a type of behavioral study with questionnaires as its instruments. Therefore, it is very necessary to test the validity and reliability. Validity of the questionnaire is assessed by the value of loading factor on measurement model path diagram of variables studied. Questionnaire item is valid when loading factor is greater than 0.5 (Hair et al, 2010)[11]. The result indicated that all questionnaire items are valid, because the loading factor value of each instrument is greater than 0.5.

Reliability test was conducted to determine consistency of an instrument when it is used repeatedly. High reliability score indicates that the instruments produce an actual size of the object being measured or examined (Hair et al, 2010)[11]. Here are presented in Table 4.1 the results of reliability measuring on the questionnaire items.

Table 4.1 Construct Reliability Test Results

Variable	Construct Reliability Value	Cut-off	Conclusion
Intrinsic Motivation (IM)	0,775	0,7	Reliable
Autonomous Extrinsic Motivation (AEM)	0,749	0,7	Reliable
Controlled Extrinsic Motivation (CEM)	0,728	0,7	Reliable
Budgetary Participation (BP)	0,821	0,7	Reliable
Budgetary Slack (BS)	0,726	0,7	Reliable

Source: Primary data processed in 2014

Criteria determined to ensure reliability of measuring instrument is expressed by greater value of r count than r table at a significance level of 95%. When this criteria is fulfilled, so questionnaire item is reliable. For the purpose of this study, reliability test is determined by calculating the reliability of the construct. The rule of the test is that an indicator is reliable to measure a construct when construct reliability value is greater than 0.70 (Ghozali, 2008)[10].

From the table above, all construct reliability values are greater than 0.7 (Ghozali, 2008)[10]. Therefore, it can be concluded that the construct has fairly good reliability. The instrument as a measuring tool is valid and so reliable because of its ability to measure what should be measured and to perform consistency. Normality of the data is determined by the value of multivariate normality. The rule of test is “when the value of the critical ratio (cr)

of kurtosis in the multivariate is less than 7, the data are normally distributed multivariate”. Multivariate normality test indicated that multivariate normality is 25.21.

Goodness of fit test was conducted to test the suitability of the model with the data. Goodness of fit test is applied to assess the ability of data to meet structural equation model assumption. Structural equation model assumptions are

1. Data of observation is done independently
2. Respondents are selected randomly
3. It has a linear relationship. If those assumptions are fulfilled, it is necessary to note the estimated coefficients in the structural model and measurement model with the value that is more than acceptable limits.

When such estimated coefficient is found, so it must be removed before an assessment of the eligibility of the model. The results are presented in table 4.2:

Table 4.2 Goodness of Fit Test

Index	Critical Values	Results	Conclusion
CMIN	Expected to be small	1413,082	---
Probability	$\leq 0,05$	0,000	Very Good
DF	Positive	353	Very Good
CMIN/DF	≤ 2 or ≤ 3	4,890	Very Good
GFI	$\geq 0,90$	0,928	Very Good
AGFI	$\geq 0,90$	0,916	Very Good
CFI	$\geq 0,90$	0,806	Less Good
RMSEA	$\leq 0,08$	0,078	Very Good
RMR	$\leq 0,03$	0,027	Very Good
TLI	$\geq 0,90$	0,699	Less Good
NFI	$\geq 0,90$	0,727	Less Good

Source: Primary data processed in 2014

The results above indicate that the model goodness of fit is less eligible and it is less suited to the data. Hypothesis testing is done by analyzing causality of variables in the model based on the value of the critical ratio(cr) it. If relationship indicated the same direction with hypothesis and it is also supported by the value of cr that meets the requirements, each hypothesis is proven. Critical value (cr) is found from normal curve tables (Z tables) at two sided 0.01 significance level, namely $Z_{\frac{1-\alpha}{2}} = Z_{0,4950} = 2,57$. The rule of testis “the hypothesis is accepted when the cr value is greater than the value of its Z table”. Hypothesis testing results are presented in Table 4.3 below:

Table 4.3 Hypothesis Testing Results

Hypothesis	Standardized Estimates	C.R	Z _{tables}	Conclusions
BP \leftarrow IM	0,339	1,875	2,57	Not Significant
BP \leftarrow AEM	0,238	1,194	2,57	Not Significant
BP \leftarrow CEM	0,354	2,656	2,57	Significant
BS \leftarrow BP	0,954	10,470	2,57	Significant

Source: primary data processed in 2014

The hypothesis 1 on the relationship between intrinsic motivation and budgetary participation showed insignificance of result. Thus, it is rejected. Therefore, intrinsic motivation does not influence the level of budgetary participation. Similarly, hypothesis 2 on relationship between autonomous extrinsic motivation and budgetary participation also showed insignificance of result. Thus, it is rejected, too. Autonomous extrinsic motivation does not influence the level of budgetary participation.

Whereas, relationship between controlled extrinsic motivation and level of budgetary participation (hypothesis 3) showed significance of result. So, it is concluded that hypothesis 3 is accepted. Truly, controlled extrinsic motivation positively influences the level of budgetary participation.

Results of the study were not significant, indicating that budgetary participation is not influenced by intrinsic motivation and autonomous extrinsic motivation. Intrinsic motivation and autonomous extrinsic motivation does not have a positive influence on budgetary participation. Managers are not motivated either by intrinsic motivation or autonomous extrinsic motivation to participate in budgeting. The managers participated in the preparation of the budget due to orders from superiors. It was shown by the results of studies showing a positive relationship between controlled extrinsic motivations on budgetary participation.

While the relationship between budgetary participation and budgetary slack (H4) indicated significance of results. Therefore, the hypothesis is accepted. Truly, budgetary participation positively influences budgetary slack.

5. CONCLUSIONS

Analysis of the influence of motivational pluriform as antecedent variable on relationship between budgetary participation on managerial performance with budgetary slack as mediating variable is focused on several variables. They are motivational pluriform (consisting of intrinsic motivation, autonomous extrinsic motivation and controlled extrinsic motivation), budgetary participation, and budgetary slack.

The relationship between motivational pluriform and budgetary participation showed different results. Hypothesis 1 and 2 indicated insignificant results which mean that intrinsic motivation and autonomous extrinsic motivation does not influence the level of budgetary participation. Whereas the relationship between controlled extrinsic motivation and budgetary participation showed significance of result and the hypothesis is accepted. It means that controlled extrinsic motivation positively influences budgetary participation.

While the relationship of budgetary participation and budgetary slack has showed significant results. Thus, the hypothesis is accepted. It means that the budgetary participation influence budgetary slack.

Based on the hypothesis testing conclusions, it can be explained that the motivational variable that is able to influence budgetary participation is controlled extrinsic motivation, while intrinsic motivation and autonomous extrinsic motivation do not influence budgetary participation. So, the involvement of managers in budgeting on manufacturing companies in Indonesia tends to be driven by controlled extrinsic motivation factors and it is not caused by their intrinsic motivation and autonomous extrinsic motivation.

There are several differences of conclusion from the research findings of Wong-On-Wing et. al., (2010)[24]. They concluded that budgetary participation was influenced by intrinsic motivation and autonomous extrinsic motivation. Based on this study, budgetary participation influences budgetary slack. It supports the conclusion of previous research conducted by Young (1985)[25], Fisher et. al., (2002)[8], and Davis et.a (2006)[5].

However, this study still has several limitations. The results cannot be generalized to different research objects. This study only makes managers who are working in manufacturing companies as unit of analysis. There is a possibility of different conclusions when unit of analysis is not only the managers of manufacturing companies. There is also indication of unfitness model goodness of fit. It means that the model is less suited to the data. The research data does not fit the model because of the possibility of cultural factors to play the role but it is not examined. Another limitation of study is relative less number of indicators on several variables. As the example, intrinsic motivation, autonomous extrinsic motivation and controlled extrinsic motivation) consists three indicators only. Maybe, the conclusions would be different with more indicators used in the research.

REFERENCES

- [1] _____, And Johnson, DM, 2007. "Testing a Model of the Antecedents and Consequences of Budgetary Participation on Job Performance." *Accounting and Business Research*, Volume 37, No.1, pp. 3-19.
- [2] Anthony, NJR and V. Govindarajan, 2001. *Management Control System*. New York, Irwin
- [3] Chen, C. Clement, 2001. "Slack and Performance in Group participative budgeting: The Effects of Individual and Group Performance Feedback and Task Interdependence." Dissertation. University of Kentucky.
- [4] Chong, VK, and KM, Chong, 2002. "Budget Goal Commitment and Informational Effects of Budget Participation on Performance." *Behavioral Research in Accounting*, Volume 14.
- [5] Davis, S., F.T. Dezoort, and L.S. Kopp, 2006. "The Effect of Obedience Pressure and Perceived Responsibility on Management Accountants Creation of budgetary Slack." *Behavioral Research in Accounting*, Volume 18, pp. 19-35.
- [6] Deci, E. L., and R.M. Ryan, 2000. "The What and Why of Goal Pursuit: Human Needs and the Self-Determination of Behavior." *Psychological Inquiry* Volume 11.
- [7] Dunk, US, 1993. "The Effect of Budget Emphasis and Information asymmetry on The Relation between budgetary Participation and Slack." *The Accounting Review*, Volume 68, pp. 400-410.
- [8] Fisher, J., JR Frederickson, and SA Pfeffer, 2002. "The Effect of Information asymmetry on Negotiated Budgets: An Empirical Investigation." *Accounting, Organizations and Society*, Vol. 27, pp. 27-43.
- [9] Gagne, M., and E. Deci, 2005. "Self-Determination Theory and Work Motivation." *Journal of Organizational Behavior*, Volume 26.
- [10] Ghozali, Imam, 2008. *Structural Equation Modeling Concepts and Applications with AMOS Program 16.0*. Undip Publishers Agency, Semarang.
- [11] Hair, J.F., R. E. Anderson, R.L. Tatham, and W.C. Black, 2010. *Multivariate Data Analysis*. New Jersey, Prentice Hall.
- [12] Hansen, Don, R., and M.M. Mowen, 2000. *Management Accounting*. Fourth Edition, Prentice Hall, New Jersey.
- [13] Herzberg, F., 2003. "One More Time: How Do You Motivated Employees?" *Harvard Business Review*, pp. 81-97.
- [14] Ivancevich, JM, 2007. "Different goal setting treatments and their effects on performance and job satisfaction." *Academy of Management Journal*, Volume 20, pp. 406-419.
- [15] Laegaard, J., 2006. *Organization Theory*. Mille Bindslev and Ventus Publishing ApS.
- [16] Lee Jie Qi, DM McInnerney, AD Liem Gregory, P. Yasmin Ortiga, 2010. "The Relationship between Future Goals and Goal Achievement orientations An Intrinsic and Extrinsic Motivation Perspective." *Contemporary Educational Psychology*, Volume 35, pp. 264-279.

- [17] NN, 2003. "Indonesian Grand Dictionary." Erlangga Publisher, Jakarta.
- [18] Nouri, H., and R.J. Parker, 1998. "The Relationship Between Participation and Job Performance Budget The Budget Adequacy Roles and Organizational Commitment." *Accounting, Organizational and Society*.
- [19] Otley, DT, and Pollanen, R., M., 2000. "budgetary in Performance Evaluation Criteria: A Critical Appraisal Using New Evidence." *Accounting, Organizational and Society*.
- [20] Siegel, G, and H. R. Marconi. 1989. Behavioral Accounting. Chicago: South-Western Publishing.
- [21] Story, A. Paul, J.W. Hart, M.F. Stasson, and J.M. Mahoney, 2009. "Using a Two Factor Theory of Achievement Motivation to Examine Performance Based Outcomes and Self Regulatory Processes." *Personality and Individual Differences*, Volume 49, pp. 391-395.
- [22] Vroom, VH 1964. Kerja dan Motivasi. New York: McGraw Hill.
- [23] Wentzel, K., 2002. "The Influence of Fairness Perception and Performance Managers on Goal Commitment in a Budget Setting." *Behavioral Research in Accounting*, Volume 14, pp 247-271.
- [24] Wong-On-Wing, B., Lan Guo, and Gladie Lui, 2010. "Intrinsic and extrinsic Motivation and Participation in Budgeting: Antecedents and

Consequences." *Behavioral Research in Accounting*, Volume 22.

- [25] Young, M.S., 1985. "Participation Budgeting : The Effects of Risk Aversion and Asymmetric Information on Budgetary Slack." *Journal of Accounting Research*.

Author's Biography



Widi Hariyanti, SE., MSi., Is a doctorate degree student at Diponegoro University. She is a lecturer at Setia Budi University.



Prof. Abdul Rohman, M.Si., Akt is a Professor and Director of the Master of Accounting Department, Diponegoro University. His current area of research is Management Accounting.